Will the Minister of FINANCE be pleased to state:

(a) whether Wanchoo Commission which went into the causes of generation and accumulation of black money in the country had made valuable recommendations which included the abolition of the system of sales tax and replacing it by excise duty;

(b) whether in the light thereof Government have already taken steps to withdraw sales tax from a number of items;

(c) what are the items in respect of which sales tax has already been abolised and the names of the items which are proposed to be exempted from sales tax in the near future; and

(d) whether consultations with State Government have been made in this regard; if so, what is the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (d) The Direct Taxes Enquiry Committee (Wanchoo Committee) which submitted their report in 1971 while going into the causes of tax evason, black money and its proliferation observed *inter alia* that the best way to get over the problem posed by the existing sales tax system would be to replace sales tax levy on various commodities, as far as possible by additional duty of excise. There has also been a demand from certain sections for abolition of sales tax and its replacement by additional excise duty. As Sales tax is a state subject of taxation, the matter was considered in a Conference of Chief Ministers held in September, 1980 and again in February 1981. In the later Conference an Expert Committee was set up to study the financial implications of the extension of additional excess duty in lieu of sales tax, which is applicable to tobacco, textiles and sugar, Vanaspati, drugs and medicines, cement, paper and paper board and petroleum products and the manner in which the financial interests of he States could be safeguarded. The Expert Committee under the Chairmanship of Shri Kamlapati Tripathi M. P. submitted its report on 29th January, 1983 which was considered in another Conference of the Chief Ministers held on 2-11-1983 In this Conference which some Chief Ministrs agreed in principle with the recommendations of the Tripathi Committee. others were opposed to the same. However it was resolved by the Conference that efforts should be made to bring about consensus amongst the States. As sales tax is mainly a State subject of taxation, any reform in the sales tax system can be undertaken only in consultation with and cooperation of the States. Efforts made so far have not resulted in reaching a consensus.

Construction of flats for Policyholders by LIC

1021. SHRI R. SAMBASIVA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Life Insurance Corporation proposes to construct flats for the policy holders during the current financial year and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDAN POOJARI): (a) and (b) Yes, Sir. The LIC is taking up the construction of 180 flats/houses in Phase II of their housing

project at Ahmedabad. They have invited tenders for the construction. They hope to start the construction before the end of the current financial year.

Review of guidelines for the distribution of iron and steel

1022. SHRIMATI MONIKA DAS: Will the Minister of STEEL AND MINES be pleased to refer to the answer to Unstarred Question 65 given in the Rajya Sabha on the 23rd July, 1985 and state:

(a) whether the guidelines with regard to the distribution of iron and steel have since been reviewed; and

(b) if so what are the details thereof?

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT): (a) and (b) Guidelines with regard to the distribution of iron and steel are still under review.

Launching of "New Jan Raksha" policy by LIC

1023. SHRIMATI MONIKA DAS: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Life Insurance Corporation has recently launched a "New Jan Raksha" Policy for the benefit of the people living in rural areas; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI). (a) and (b) Yes, Sir. The "New Jan Raksha" Policy launched by LIC is intended for persons in rural areas and elsewhere in the lower income bracket or with fluctuating income. Its salient features are as under:—

(1) The policy is issued under non-Medical Scheme.

(2) The sum assured under the policy is Rs. 5,000. Rs. 10,000 or Rs. 15,000.

(3) The policy is availalbe to all eligible lives aged between 18 to 40 years.

(4) The policy covers risk for full sum assured even without payment of premiums upto a period of 3 years after payment of premiums.

(5) for a minimum of 2 years.

(6) All persons covered under the policy are entitled to accident benefit.

आन्ध्र प्रदेश और कर्नाटक में "कर्ज मेले"

1024 **श्री अश्विनी कुमार :**
श्री प्यारे लाल खंडेलवाल :
श्री शंकर सिंह वाघेला :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि आन्ध्र प्रदेश और कर्नाटक की राज्य सरकारों ने यह शिकायत की है कि उनके राज्य में केन्द्रीय वित्त मंत्रालय द्वारा आयोजित "कर्ज-मेलों" में उनके मंत्रालय ने उनसे किसी प्रकार का सहयोग नहीं लिया ; और

(ख) यदि हां, तो इस संबंध में प्राप्त शिकायतों का ब्यौरा तथा वास्तविक स्थिति क्या है ?

वित्त मंत्रालय में राज्य मंत्री (श्री जनार्दन पुजारी) : (क) और (ख) सूचना एकत्र की जा रही है और यथा उपलब्ध सूचना सभा पटल पर रख दी जाएगी ।